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# Inside

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## PLEASE RETURN

### BIG SKY DIVIDEND TO PAY FOR THE ECONOMY

Earlier this year Governor Stan Stephens announced his intentions to implement a new public facilities construction program under the title of "The Big Sky Dividend."

The program basically calls for investing the next 10 years of the state's coal tax revenues in improving Montana's public infrastructure and providing seed money for needed capital improvements at the local level. The net effect of the program would be to cap the Permanent Coal Tax Trust Fund at \$412 million, with only the new coal tax revenue placed into The Big Sky Dividend program.

Almost 10 years ago, the framers of Montana's Coal Severance Tax had the vision to see that Montana should have a revenue source available for investing in the state's long-term well-being. According to Governor Stephens, the time has come to invest some of that revenue in preparation for the 21st century.

The Governor has cited the preservation of Montana's quality of life, the creation of jobs and the promotion of economic development as the key goals for the program.

According to the Governor, the number of Montana communities, both large and small, that are faced with serious health threats to their primary water supplies due to inadequate water delivery systems or failing sewer systems is growing every day. "Current funding for sewer and water system repair and replacement in the state is just not keeping up with the demand," said Governor Stephens.

The Big Sky Dividend program would also serve as a local economic stimulus by creating jobs associated with the major construction projects. Based on U.S. Department of Commerce, Bureau of Economic Analysis, multiplier models, 37.9 new construction jobs would be created for each \$1 million worth of construction. As proposed, the Big Sky Dividend program would allocate an estimated \$20 million per year for new construction that would generate an estimated 758 new construction jobs in the state. By leveraging the Big Sky Dividend money for additional federal matching money, the program could generate as many as 2,275 new construction jobs per year.



By applying the multiplier model for economic activity related to the new construction associated with the program, a base of \$20 million in construction per year would generate an increase in the state's economic activity of almost \$39 million per year. The leveraged value of the projects could increase that amount to as high as \$116 million per year.

Long-range economic development potential for the state could also be enhanced through The Big Sky Dividend program as facilities are geared up to accept increased demand and the state's "economic development report card" improves to reflect the state's investment in those important public facilities and services.

Much of the impetus for the program is coming from the fact that the cost of capital improvement projects continues to grow each year. At the same time, the availability of federal matching money for such programs continues to decline each year. By acting now, it is expected that Montana would still have a realistic chance of leveraging The Big Sky Dividend program as match money which could mean a \$20 million per year investment may finance up to \$60 million worth of projects.

Commerce Department Director Chuck Brooke sees The Big Sky Dividend as a very necessary investment in Montana's economic future. "I have always believed that government's role in economic development is to create the right environment for private business to prosper and the number of jobs to grow. Traditionally, government's approach has been to focus only on the regulatory environment. I'm pleased to see that the Governor has recognized the importance of the physical environment in terms of infrastructure as well."

Inside Commerce is published four times a year as an informational and educational tool for Montanans interested in public policy implementation through the Department of Commerce.

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## Perspectives

*Chuck Brooke was appointed Director of the Montana Department of Commerce by Governor Stephens in April of 1990.*

*He brings to the position a wealth of practical experience in both the public and private sectors.*

*His experience in government includes service as Director of the Montana Lottery, Executive Assistant to the Secretary of State and Chief of Staff for the Missoula County Commissioners.*

*In the private sector, he owned and operated one of Montana's largest full-service advertising agencies and has served as a public relations and marketing consultant to a number of prominent Montana businesses and public officials.*

*Chuck graduated from high school in Chinook, Montana, and earned both his bachelor's and master's degrees in political science from the University of Montana in Missoula.*

*He is married, has one child, and currently resides in Helena.*



The Montana Department of Commerce is probably the most diverse and wide-ranging of all the departments in state government. In spite of any public perception as to the extent of the agency's involvement in "commerce," i.e., economic development, etc., the department's responsibilities encompass a lot more.

From the Milk Control Board to Building Inspection to the Aeronautics Division, the Department of Commerce encompasses 16 separate divisions with varying degrees of autonomy with many programs "attached for administrative purposes only." To comprehend the diversity of the interests and problems associated with this agency is one thing ... to manage it is something else.

My effort to provide direction and focus for the agency as a whole has been the subject of several months of study in an attempt to take the organization beyond just traditional "program management" and on to a sense of "proactive policy implementation." We are in the process of organizing our 16 divisions into four policy areas that include Economic Development, Tourism, Public Service and Safety, and General Administration.

In addition to providing me with a more manageable and responsive chain of command, this effort should serve to better coordinate each division in terms of better understanding the role that is played in the overall policy focus of the agency as a whole.

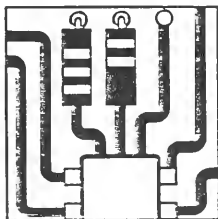
To my way of thinking, the Montana Department of Commerce is the most important agency in state government in terms of potential for molding Montana's future. Most agencies unfortunately are organized to deal only with the problems they are dealt. In Commerce, on the other hand, we have the opportunity to be proactive versus reactive in terms of the issues we face. We have the opportunity to provide direction and vision if we can free ourselves of the bureaucratic mold that deals with yesterday's problems today and worries about today's problems tomorrow.

The Commerce Department has some of the most committed, creative, hard-working professionals I have ever seen. My purpose, then, is to provide focus on the overall mission and simply turn the professionals loose. I believe Montana can only be a better place for it.

## TECHNOLOGY AND ENTREPRENEURSHIP FORUM

The Montana Technology and Entrepreneurship forum was held on June 29, 1990, at the Radisson Northern in Billings, Montana. Hosted by the Montana Science and Technology Alliance (MSTA) and sponsored by the Montana Private Capital Network and the Billings Chamber of Commerce, the forum was attended by over 100 participants representing venture investors from throughout the nation, Montana leaders in entrepreneurial and technological development from both business and government, representatives from public and private research organizations, and officials from federal research-sponsoring agencies.

The purpose of the forum was to recognize the emerging role of entrepreneurs in Montana's economy. The goals of the forum were three-fold. First, to bring together technology-based high growth companies with venture capitalists, corporate investors and other potential financial investors. Second, to introduce participants from federal agencies to technology development in Montana companies and its university-based centers of excellence. And, third, to encourage and facilitate networking among participants, specifically between entrepreneurial companies and centers of excellence and federal agencies



and laboratories.

Several benefits are expected from the forum. First, venture investors hopefully will place investments with some of the companies. Second, federal agencies will gain an understanding of the state's entrepreneurial activity and research capabilities. Third, companies and research organizations should gain valuable contacts with federal agencies sponsoring technology research. Fourth, companies will develop a valuable network of contacts to assist in ongoing entrepreneurial development in the state. Both venture investors and federal research agencies will be more comfortable doing business with Montana companies and research organizations knowing there is a critical mass of technology development activity underway in the state.

The morning venture capital session featured presentations from selected technology-based high growth companies actively seeking investment capital. A number of companies were either MSTA portfolio companies or companies under consideration for MSTA investment capital.

The afternoon entrepreneurs' and technologists' village featured displays for a wide range of technology-based companies and research organizations from Montana. Over 25 companies representing technology areas of biotechnology, advanced minerals processing, hazardous wastes remediation, advanced materials, laser technologies and computer software were represented.

## INDIAN AFFAIRS COORDINATOR STEPS DOWN



Don Wetzel, coordinator of Indian affairs for 13 months, resigned his position to become superintendent of schools in Harlem, Montana. Wetzel's main reason for leaving is the chance to work with youth again. Wetzel has been in the education field for 18 years and is looking forward to returning to that area.

Governor Stephens praised Wetzel as the best and most productive Indian Affairs Coordinator Montana has had. "His goal has been to increase communication and I feel he has been very successful," Stephens said. During his tenure, Wetzel raised the visibility of the office and won support from many groups.

A new coordinator will be chosen from a list of five nominees submitted by the state's tribes. If they cannot agree on five names, tribal chairmen will either meet with the Governor to compile a list of names, or the Governor will directly solicit names from each tribe.

## JAPAN WEEK

A major cultural event is taking place this fall as Missoula hosts "Japan Week," October 3-7. Sponsored by the Kumamoto Prefectural government and the Japanese Consul-General of Seattle, the event will see more than 50 Japanese travel to western Montana to share their culture and traditions.

All segments of the Missoula community are involved in hosting the event, which promises to provide something for all tastes. There is a craft show planned at the Southgate Mall, martial arts demonstrations at the high schools, and poets and writers giving lectures in the downtown theaters. If you want to see some of old Japan, a group will perform the Usudaiko Dance, a very old and colorful folk dance from the Kumamoto area. The dance features elaborate costumes and drummers

who attempt to calm the wind with dance and drum. Other events include calligraphy demonstrations, Japanese dance performances, and a panel discussion on economic development with business, government and academic leaders from Japan and Montana.

Members of the Montana Club, a social organization of businessmen and civic leaders of Kumamoto, will also come to Montana. This private group provides hospitality to Montanans visiting Kumamoto. They have promised to do something special for the festival but are keeping it secret.

Charlie Nagatani, or "Good Time Charlie," a Kumamoto country western band (yes, a Japanese country western band), will perform at local night spots. Charlie has been featured twice on the Grand Ol' Opry, and was made an

honorary citizen of Montana by former Governor Ted Schwinden.

While many of the week's events will highlight the differences in the two cultures, the Montana Club and "Good Time Charlie" may show that we are closer than many of us think.

## 熊本県

## NEW LOTTERY DIRECTOR

Governor Stan Stephens has appointed Zoann Attwood as the new Montana Lottery director. She replaces Chuck Brooke, who was appointed director of the Department of Commerce.

Attwood, 45, has worked in advertising and marketing for 20 years. Prior to joining Columbus Hospital in 1987 as public relations specialist, she was involved in various ad agencies and worked in all aspects of audio and video production, including eight years with North Country Media Group in Great Falls.



## STATEWIDE POOL APPROVED

In late April, dairy farmers voted by a large margin to establish a statewide pool and quota plan. The approval came after the Board of Milk Control had adopted the plan in late March.

Law requires that any pooling plan the board adopts be approved by referendum among the affected parties before it can become effective.

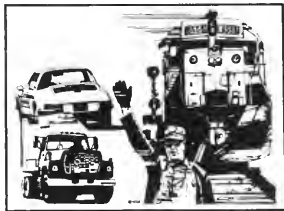
The establishment of a statewide pool and quota plan changes the way producers are paid for their milk. While processing plants are still required to pay for milk based on the way it is classified and utilized, producers will be paid based on a uniform statewide price. Previously, producers were paid a uniform price by each processing plant based on the way the plant utilized the milk.

Passage of the plan was a concession on the part of certain producers to promote stability and bring other concessions into the market place concerning wholesale pricing.

In addition to permitting payment of a uniform price statewide, the plan permits surplus milk supplies to accumulate in greater concentrations, thus improving the efficiency in handling surplus milk and permitting equal sharing of the cost of its production.

## PLANNING FOR NEW DEPARTMENT OF TRANSPORTATION PROGRESSES

The second phase of Governor Stan Stephens' planning process for the development of a new Department of Transportation (DOT) for Montana has been completed.



On June 11 and 12, a special advisory committee, appointed by the Governor and chaired by Commerce Director Chuck Brooke, held six public hearings around the state to receive public comment on the DOT concept.

Governor Stephens initially requested the Montana Highway Commission to investigate the feasibility of creating a Department of Transportation for the State of Montana in October 1989.

Forty-five other states have already adopted the DOT organizational concept incorporating a wide range of transportation related activities.

The expressed goals of Governor Stephens in exploring the feasibility of a DOT for Montana are:

- 1) To improve Montana's multimodal transportation planning by consolidating into a single agency all those transportation-related functions that include planning, development and safety for the purpose of offering a "unified vision of Montana's transportation needs for the 21st century;"

- 2) To insure that adequate, safe and efficient transportation facilities and services of all modes are available within the state to support and promote economic growth;

- 3) To enhance public service and convenience by providing "one-stop shopping" for licenses, fees, taxes and registrations relating to transportation;

- 4) To improve overall government efficiency and reduce costs by streamlining services and eliminating duplicate efforts and programs.

In April of this year, the Montana Highway Commission submitted its formal report to the Governor on the feasibility of consolidating a variety of transportation related functions into a DOT. Its report was based on input from the departments of Commerce, Revenue, Justice, Highways and the Public Service Commission.

The Highway Commission report recommended the creation of a DOT to include as its primary components the functions of the Aeronautics and Transportation Divisions, currently in the Department of Commerce, as well as the functions of the current Department of Highways.

In addition, the commission recommended that the Motor Fuels Tax Division of the Department of Revenue, the motor carrier registration/stamp function of the Public Service Commission, and the Motor Carrier Safety Assistance Program from the Department of Justice also be incorporated into the DOT. The report specifically recommended that the DOT not include the State Highway Patrol.

With the recommendations up for consideration, the Governor appointed the 11-member interim advisory committee to solicit public comment on the recommendations as the second phase in the process. In addition to the comments presented at the hearings held in Helena, Missoula, Kalispell, Havre, Glendive and Billings, the committee accepted written comments. A more detailed planning process will begin

this summer in preparation for submitting a DOT proposal to the 1991 legislature.

Brooke says that the Governor is following a very deliberate multi-phased approach to planning the DOT, which is intended to identify potential problems early in the process so they might be addressed long before the plan gets to the legislature.

"This plan is too important to Montana to get bogged down in last minute special interest politics," said Brooke. "That's the reason the Governor is going to such great lengths to solicit input from all the affected transportation interests early in the process."

In summing up the progress to date, Brooke said the Governor's plans are "on track and on time."

## 1990 CENSUS NOTES

1990 post-Census local review program activities are slated to begin this summer. Post-Census local review maps will be sent to highest elected officials by mid-July. Housing unit counts will be sent around the last week in August. Officials will be allowed 15 working days to review and respond to the counts. The program provides the only opportunity for local governments to comment on or challenge the 1990 Census housing counts.

Persons responsible for the local review process are encouraged to assemble mapping and housing records now to be prepared for program deadlines. They may contact the Census & Economic Information Center, 444-2896, for further information.



## 1990 GOVERNOR'S CONFERENCE ON TOURISM AND RECREATION POSTS RECORD SUCCESS

A record number of travel and recreation industry members attended the 1990 Governor's Conference on Tourism and Recreation held in Missoula on May 21 and 22. The conference included nationally recognized guest speakers, workshops and presentations by Governor Stan Stephens and U.S. Senator Conrad Burns.

Dr. Steven Malin of New York opened the session and predicted a bright future for the travel industry and noted that travel trends indicate an especially bright future for Montana. Also, during the opening session, Dr. James Brock, of Montana State University, emphasized the importance, both now and in the future, of Montana's public lands.

Conference participants attended workshops on Montana's Watchable Wildlife program, working with the media, marketing Canada and at-

tracting the movie industry. In addition, there were open discussions with the Tourism Advisory Council and discussions on overseas marketing, balancing the needs of extractive resource uses, tourism and recreation, and the direction of national parks.

Senator Burns outlined his efforts to promote the Tourism Promotion and Export Policy Act of 1990. The Act would greatly enhance rural tourism marketing efforts in states such as Montana.

A hallmark of the 1990 Governor's Conference was the networking and cooperative spirit between agencies mandated with tourism and recreation promotion and resource protection. Presentations by Charles A. Brooke, director of the Montana Department of Commerce; K.L. Cool, director of the Montana Department of Fish, Wildlife and

Parks; Chris Risbrudt, deputy director of Region 1 of the U.S. Forest Service; and Marv LeNoue, director of the Montana Bureau of Land Management underscored the new level of cooperation.

A major highlight of the conference was the keynote address by Governor Stephens. On behalf of the Tourism Advisory Council, Governor Stephens named Larry McRae as "Tourism Person of the Year."



Governor Stephens also unveiled a new in-state campaign, EZ 2 LUV, aimed at building pride in Montanans for their state.

Over 270 people participated in the 1990 Governor's Conference on Tourism, surpassing the old attendance record. Plans are already under way for the 1991 Conference.

## POL LOCATION CHANGE

The Bureau of Professional and Occupational Licensing is moving from its current location at 1424 9th Avenue to the lower level of the Arcade Building located in downtown Helena. The move took place in early July.

Chuck Brooke, department director, announced that the move was part of organizational changes which will better align departmental functions and services. Brooke indicated that the space the bureau currently occupies is totally inadequate and the new location will give the bureau a more efficient working area and more autonomy as well as providing a positive, professional atmosphere.

The Professional and Occupational Licensing Bureau is comprised of 30 regulatory boards appointed by the Governor and has a staff of 27. The bureau licenses over 60,000 professionals annually.

The bureau and the boards comprise an organization which helps protect the health and the welfare of all Montana citizens. According to Brooke, "This organizational change will improve our customers' understanding of the services offered as well as strengthen our commitment to that service by creating a more cohesive and identifiable bureau."

## MSTA EXECUTIVE DIRECTOR RESIGNS

Steve Huntington, executive director of the Montana Science and Technology Alliance (MSTA) since September of 1988, is leaving the program on July 1, 1990. He



became executive director after coming to MSTa as its senior investment officer in 1987. Huntington was instrumental in re-establishing MSTa after the mid-1988 Montana Supreme Court's *White* decision removed MSTa's investment authority. He organized re-establishment of the program's financing process and guided MSTa's investment presence in its active portfolio of eight early-stage companies. Other program activities during Huntington's tenure included formulation of the state's centers of excellence and furthering Montana's exposure to private venture capital funds.

Huntington will form a new private venture capital firm, Mountain West Ventures L.P. He is currently raising funds and hopes to achieve capitalization of \$5 million. Huntington will be joined as a general partner in the firm by Samuel T. Hubbard, executive director of MSTa from its inception in 1985 through mid-1988. Once capitalized, the firm will begin in-

vesting in early-stage technology-based companies with high growth potential. The partners also will provide business consulting services to young companies.

On the future of MSTa, Huntington commented, "I am confident that MSTa can continue to be a successful tool to enhance entrepreneurial economic development in Montana. I look forward to working with its new executive director on promising opportunities in the years to come."

## PROCUREMENT CONFERENCE A SUCCESS

The first Governor's Conference on Federal and State Procurement was held June 19-21 at the Heritage Inn in Great Falls. Organized by the Business Development Division and the Procurement Technical Assistance Center, the conference was co-sponsored by the U.S. Department of Defense/Defense Logistics Agency, Montana Power Company, U.S. West, and Technical and Management Service Corporation (TAMSCO).

The conference was designed to provide continued technical training to Montana businesses in the field of government and subcontract competition and to introduce Montana suppliers to federal buyers and prime contractors.

Forty-one Montana companies displayed their capabilities in a trade show which was visited by 20 prime contractors including Boeing, Texas Instruments and McDonnell Douglas as well as 15 federal buying contractors. An additional 102 representatives from 69 Montana businesses attended various seminars and workshops which covered such topics as prime contractor requirements, quality control systems and finance mechanisms.

## AWARD FOR EXCELLENCE

In early March, the U.S. Department of Housing presented the Montana Department of Commerce an award for excellence in program performance for its Community Development Block Grant (CDBG) program.

The award was presented in Denver at a recent five-state regional conference sponsored by HUD. Anna Kandratis, assistant secretary for HUD, and Barbara Richards, director of the HUD Region VIII Office of Community Planning and Development, made the award.

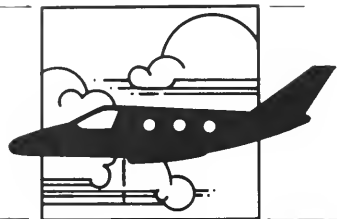
Since 1982, when the Department of Commerce acquired administration of the CDBG program from HUD, it has awarded almost \$45 million to Montana local governments for economic development, housing and public facility projects.

The economic development category is administered by the department's Business Development division (444-3923). The housing and public facilities categories are administered by the Local Government Assistance division (444-2488).

Gus Byrom accepted the award on behalf of Montana and his CDBG program colleagues Dave Cole, Terry Dimock, and Gary Morehouse.



## ALBERTA AIR TOUR



The Montana Aeronautics Division is assisting the Alberta Aviation Council in making arrangements for its 1990 air tour through Montana. The tour, dubbed "Old Wild West Air Tour '90," is scheduled for August 1-9.

The tour begins on August 1 when the group flies into the Benchmark Airport. The next morning, the group will begin visiting locations and events throughout Montana such as the Custer Battlefield, Yellowstone Park, Three Forks for the Montana Antique Aircraft annual fly-in, Lewis and Clark Caverns, Virginia City, Gates of the Mountains, Grant Kohrs Ranch, the old Montana Prison, the Bigfork Summer Theater and Glacier Park.

The Great Falls, Vigilante and Flathead Hangars of the Montana Pilots Association will host barbecues for the group throughout the visit.

The Canadians will be traveling in small private aircraft. Some will camp at the destination airports while others will stay in local motels. The Aeronautics Division and the state's flying organizations look forward to welcoming our Alberta neighbors to Montana.

### Can We Help You?

Director, Chuck Brooke .....	444-3797
Deputy Director, Andy Poole .....	444-3797
Economic Development, Bob Heffner, <i>Chief Administrator</i> .....	444-3923
Montana Promotion Division, Sandra Guedes, <i>Chief Administrator</i> .....	444-2654
Management Services Division, Carolyn Doering, <i>Chief Administrator</i> .....	444-4212
Public Safety Division, W. James Kembel, <i>Administrator</i> .....	444-3164
Legal Unit and Consumer Affairs, Annie M. Bartos, <i>Chief Counsel</i> .....	444-3553
Local Government Assistance Division, Newell Anderson, <i>Administrator</i> .....	444-3757
Montana Board of Housing, Dick Kain, <i>Administrator</i> .....	444-3040
Montana Board of Investments, Dave Lewis, <i>Executive Director</i> .....	442-1970
Montana Health Facility Authority, Jerry Hoover, <i>Administrator</i> .....	444-5435
Office of Research and Information Services, Jan Clack, <i>Administrative Officer</i> .....	444-3814
Montana Science and Technology Alliance, Carl E. Russell, <i>Executive</i> .....	449-2778
Aeronautics Division, Michael Ferguson, <i>Administrator</i> .....	444-2506
Financial Division, Donald Hutchinson, <i>Commissioner</i> .....	444-2091
Transportation Division, Patricia Saindon, <i>Administrator</i> .....	444-3423
Coordinator of Indian Affairs .....	444-3702
Lottery Division, Zoann Attwood, <i>Director</i> .....	444-5825

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